

MIAMI BEACH

OFFICE OF THE CITY MANAGER

NO. LTC# **188-2016**

LETTER TO COMMISSION

TO: Mayor Philip Levine and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: April 29, 2016

SUBJECT: **Project Update – Mount Sinai Medical Center's Erosion Project with the U.S. Army Corps of Engineers Under the Continuing Authorities Program (CAP), Section 14.**

On April 9, 2014, the City Commission adopted City Resolution No. 2014-28535, in which the City of Miami Beach entered into a Cooperative Agreement with Mount Sinai Medical Center (Mount Sinai) to serve as their non-Federal sponsor for a mitigation project with the U.S. Army Corps of Engineers (USACE), which aims to provide protection for critical infrastructure from flooding and storm damages due to erosion. Mount Sinai has agreed to indemnify the City against the cost.

The Total Project Cost is ultimately cost shared 65% Federal and 35% Non-Federal Sponsor, with the Federal limit capped at \$5 million. Financial responsibilities for Federal and Non-Federal partners are as follows:

Maximum Funding	Total	Phase 1	Phases 2 & 3
Federal Cost Share – maximum allowable	5,000,000	162,500	4,837,500
Non-Federal Sponsor Cost	<u>2,692,308</u>	<u>162,500</u>	<u>2,529,808</u>
Maximum Project Cost	7,692,308	325,000	7,367,308

Mount Sinai has secured non-Federal matching funds in the amount of \$2 million from the State of Florida for this project. Mount Sinai needs to draw the matching funds from the State trust fund to ensure these monies are not surrendered in the upcoming legislative year. In the interest of securing these funds for the USACE project, the State of Florida has allowed the City to encumber the funds on behalf of Mount Sinai. The City and Mount Sinai are having discussions regarding entering into an Agreement, which would fully and legally commit the State funds to the USACE project. The funds will be kept in a fully audited escrow account with Mount Sinai bearing the escrow auditing requirements. Mount Sinai will pay the City a 1% audit fee for its administrative efforts.

Project Status

On September 25, 2015, the City entered into an agreement with the USACE to begin the first of three phases of the project - the Feasibility Study. The total cost of the Feasibility Study is estimated to be \$325,000, with the cost share agreement requiring a 50% match from the Non-Federal sponsor. The Federal share is \$162,500 and the required Non-Federal matching share is \$162,500. The amount of the Non-Federal matching share, \$162,500 includes two credits in the amounts of \$25,000 (Study Coordination Team & audit costs) and \$81,250 (in-kind services), and one initial contribution in the amount of \$56,250. Mount Sinai provided the \$56,250 to the City, which transferred it to the USACE in to the beginning of the Feasibility Study phase.

This project provides a unique opportunity to showcase the benefits of incorporating green infrastructure with traditional gray infrastructure investments. To this end, the City has partnered with The Nature Conservancy to hold a workshop on the benefits and feasibility of including a hybrid or living shore line design as an option. Department of Emergency Management personnel will continue to collaborate with the Public Works Department, the Chief Resiliency Officer, the Environment and Sustainability Department, the City's Grants Officer and the Finance Department to coordinate with Mount Sinai and the USACE on a regular basis to facilitate this project.

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